

ABSTRACT

The present invention provides a new form of financial instrument for securitization of retail automotive and light truck lease assets. The instrument is supported by secured notes that are separately and independently secured by a first priority perfected lien on each related vehicle and lease (to protect the investment entity which creates securities sold to investors 27 and, thereby, the investors 27). The method of the present invention for creating the financial instrument includes creating a leasing company. The leasing company then acquires leases from dealers. In one embodiment of the present invention, termination value guarantees on the leases can be obtained. A financial asset is issued to fund the acquisition of the leases. In one embodiment of the present invention, a nominee titleholder and a registered lien are created on each leased vehicle. The financial asset is transferred to a securities-issuing entity. A security backed by pools of the financial assets is offered via a registered public offering or an exempt private placement transaction.